



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

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801-538-7223 (TDD)

March 1, 2001

Zions Bank  
Payson Branch  
80 East 100 North  
Payson, Utah 84651

RECEIVED

MAR 13 2001

DIV OF OIL GAS & MINING

Attention: Rex Wilkerson, Branch Manager

Re: Reclamation Surety, Certificate of Deposit for Chief Consolidated Mining Company and Tintic Utah Metals, LLC, Burgin Mine Site, M/049/009, Utah County, Utah  
Certificates of Deposit no. \_\_\_\_\_ and \_\_\_\_\_ Principal Amount \$350,000.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank (Bank), regarding the control, redemption, and release of Bank's above-described certificates of deposit (CD), which is being used as a surety to guarantee the availability of reclamation funds for the Apex/Burgin mine site, Utah County, Utah (Mine Site). It is the intention of the parties that the CD be utilized as surety to guarantee that \$350,000 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division) upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with state law and regulations (Title 40-8-14(7), and Rules R647-4-114 & R647-5-101).

### Ownership and Renewal:

Ownership of the CD is retained by Chief Consolidated Mining Company an Arizona corporation, and Tintic Utah Metals, LLC, a Colorado corporation (collectively "Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

### Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of



the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

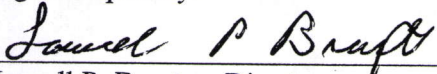
The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$350,000. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

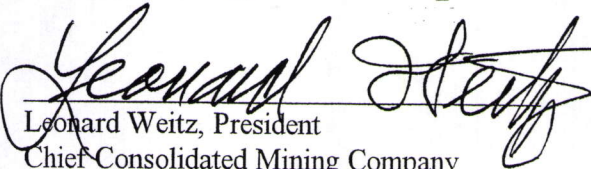
Agreed Upon By:

  
\_\_\_\_\_  
Lowell P. Braxton, Director

Utah Division of Oil, Gas & Mining

Tax ID Number: \_\_\_\_\_

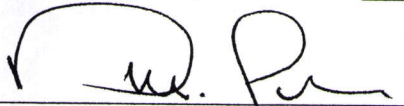
Date: 3/20/01

  
\_\_\_\_\_  
Leonard Weitz, President

Chief Consolidated Mining Company

Tax ID Number: \_\_\_\_\_

Date: MARCH 13, 2001

  
\_\_\_\_\_  
Paul C. Spor, Executive Director

Tintic Utah Metals, LLC

Tax ID Number: \_\_\_\_\_

Date: March 12, 2001



COPY

ZIONS BANK

TIME DEPOSIT CONFIRMATION

Account Number: [REDACTED]

Date: 09-28-00

Ownership: TINTIC UTAH METALS LLC A SUBSIDIARY OF CHIEF CONSOLIDATED MINING CO. FBO THE STATE OF UTAH DIVISION OF OIL, GAS & MINING RECLAMATION SURETY.

Purchase Amount: \*\*\*175,000.00 Term: 036 ☒ Months ☐ Days

Interest Rate: 05.39 Annual Percentage Yield: 05.50 Maturity Date: 09-28-03

Interest Payment Frequency: ☐ At Maturity ☐ Annually ☒ Quarterly ☐ Monthly

Interest Payment Method: ☒ Add to Deposit ☐ Issue Check ☐ Transfer to Account Number: \_\_\_\_\_

☐ Checking/MMDA ☐ Savings

Bank Representative Signature: Jeremy White

This confirmation is not negotiable. This confirmation is not transferable except on the records of Zions Bank. The Certificate of Deposit is issued in accordance with Zions Bank Rules and Regulations.

COPY

ZIONS BANK

TIME DEPOSIT CONFIRMATION

Account Number: [REDACTED]

Date: 03-01-01

Ownership: TINTIC UTAH METALS LLC A SUBSIDIARY OF CHIEF CONSOLIDATED MINING CO. FBO THE STATE OF UTAH DIVISION OF OIL, GAS & MINING RECLAMATION SURETY

Purchase Amount: \*\*\*175,000.00 Term: 036 ☒ Months ☐ Days

Interest Rate: 05.02 Annual Percentage Yield: 05.02 Maturity Date: 03-01-04

Interest Payment Frequency: ☐ At Maturity ☐ Annually ☒ Quarterly ☐ Monthly

Interest Payment Method: ☐ Add to Deposit ☒ Issue Check ☐ Transfer to Account Number: \_\_\_\_\_

☐ Checking/MMDA ☐ Savings

Bank Representative Signature: Jeremy White

This confirmation is not negotiable. This confirmation is not transferable except on the records of Zions Bank. The Certificate of Deposit is issued in accordance with Zions Bank Rules and Regulations.